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DECLASSIFIED AND RELEASED BY  
CENTRAL INTELLIGENCE AGENCY  
SOURCES METHOD EXEMPTION 3828  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2007

May 1968

MEMORANDUM FOR THE RECORD

SUBJECT: Funding of AETENURE and AETERRACE under  
Project AERODYNAMIC

1. The following procedure for the funding of AETENURE and AETERRACE was agreed upon during a discussion between [redacted] of the CCS; [redacted], SB/CAO; and [redacted] on 14 May; and [redacted] on 15 May: [redacted] and [redacted]

2. AETENURE will be funded quarterly from Headquarters via [redacted]. At the beginning of each quarter, the AERODYNAMIC case officer automatically will process a Form 281 (Request for Advance), along with a Form 1864 (Request for Covert Payment), instructing the Office of Finance to transmit a stated amount of money to AETENURE, giving the name of the bank and account number in New York to which the money is to be deposited via a bank in [redacted]. It will be left up to the Office of Finance to determine the bank in [redacted] to be used, and the bank need not always be the same. AETENURE will draw on its bank account in New York whenever necessary, and will account for the expenditure of the funds in a quarterly accounting to Headquarters.

3. AETERRACE also will be funded from Headquarters via [redacted] whenever it is in need of funds, but no more frequently than once each quarter. In the past, AETERRACE was funded from AETENURE, and accounted monthly for the expenditure of its funds directly to AETENURE, which attached copies of the AETERRACE accounting to its own quarterly accounting to Headquarters. For reasons of security and control, it is desirable for AETERRACE to continue to feel it is being funded from AETENURE and to account for the expenditure of its funds to AETENURE.

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It was, therefore, decided that, as in the past, when AETERRACE is in need of funds, it will notify AETENURE, which in turn will notify the Headquarters case officer. A form 281, along with a Form 1864, will then be processed by the case officer, instructing the Office of Finance to deposit a stated amount of money from a [ ] account in [ ] into an account in another [ ] bank, which will be established in the name of AETENURE by an AETENURE officer or legal agent. AETENURE, having been notified by the Headquarters case officer that the deposit has been made, will instruct the [ ] bank in which its account is established to transfer a stated amount to AETERRACE's account in Germany, and the latter can then draw on its funds as needed. AETERRACE will continue to account monthly for the expenditure of its funds directly to AETENURE, and the latter will attach copies of AETERRACE's monthly accountings to its own quarterly accountings to Headquarters.

4. For purposes of attribution, in cases of urgent need, AECASSOWARY/2 will supply the names of two or three wealthy Ukrainians, who after appropriate clearance by CCS will be approached by CIA to determine if they are willing to permit the use of their names in such cases as ostensible financial supporters of AETENURE. If none of the individuals approached agree to collaborate with CIA in this regard, CCS will supply the name of an ostensible contributor. It is felt that attribution would be necessary only in extreme cases; namely, (a) a newspaper representative obviously out to produce a scandal and, therefore, determined to "get all the facts"; (b) a Soviet source bent on proving that AETENURE, and its Munich affiliate, is a "lackey of United States intelligence and the American imperialist government", (c) West German authorities, if in the future FRG policy toward Soviet emigre organizations based on FRG territory should change, to a less benelovent one. Since AETENURE now is established as a profit-making business enterprise, it does not appear necessary to establish any protection from U.S. authorities, so long as AETENURE complies with all rules and regulations which apply to its legal status.

*Orig X CCS*

[ ] SB/CA [ ]

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